



DAILY NEWSWATCH

MARKET REVIEW

Malaysian stocks rose last Friday on last-minute bargain-hunting on selected heavyweight stocks amid unresolved US-debt crisis discussion. Market breadth was negative with 360 gainers and 457 losers. The utilities sector was the top gainer increasing by +1.02%, while the technology sector was the top loser declining by -1.32%. DKSH (5908) was the top gainer surging by RM0.42 or +8.4%. The FBMKLCI rose by +0.04% to 1428.54.

We expect Malaysian equities to be more volatile as investors bargain-hunt for undervalued stocks amid positive corporate earnings seasons.

ECONOMICS

- **Chinese** exports to North Korea surge, fueled by wigs and fertilizers
- BIS Chief warns of **Central Bank credibility risk** amid high global inflation

COMPANY

- **Maxis (6012)** reports strong Q1 profits, focuses on 5G expansion
- **Radium (5313)** IPO public tranche fully subscribed, set for growth in property segment
- **Kelington (0151)** reports strong Q1 performance with 94.1% surge in net profit
- **Ho Wah Genting (9601)** proposes 4-to-1 share consolidation
- **DKSH (5903)** reports 30.6% rise in net profit for Q1FY2023

EXPRESSO FOR THE DAY

- **Technical Watch – AEON (6599)** – Entry Price RM1.30, Target Price RM1.43, Stop Loss RM1.11, Support RM1.24, Resistance RM1.32
- **Technical Watch – Harbour-Link (2062)** – Entry Price RM1.30, Target Price RM1.43, Stop Loss RM1.11, Support RM1.24, Resistance RM1.30

Local		(%)
FBMKLCI	1,428.54	0.0
Volume (mil)	2,845.23	7.2
Value (RM'mil)	1,806.62	(0.6)
Gainers	360	
Losers	457	
Unchanged	432	

Foreign		(%)
Dow Jones	33,426.6	(0.3)
Nasdaq CI	12,657.9	(0.2)
S&P 500	4,192.0	(0.1)
FTSE 100	7,756.9	0.2
Nikkei 225	30,808.4	0.8
Shanghai CI	3,283.5	(0.4)
HSI	19,450.6	(1.4)
STI	3,202.6	0.6

Most Active	RM	Chg
DXN	0.665	(0.035)
MIRONIC	0.015	0.000
BJFOOD	0.650	(0.175)
YTL	0.775	0.035
BAHVEST	0.140	0.020

Top Gainer	RM	Chg
DKSH	5.400	0.420
HLFG	18.060	0.360
CARLSBG	21.700	0.180
HEIM	27.960	0.160
PETGAS	17.080	0.160

Top Loser	RM	Chg
MPI	25.700	(2.100)
SAM	3.810	(0.270)
YNHPROP	4.590	(0.230)
AORB	3.060	(0.220)
PJBUMI	0.710	(0.195)

Other Stats		(%)
USD/MYR	4.54	(0.00)
USD/RMB	7.01	(0.36)
Brent (USD/barrel)	75.58	(0.37)
Gold (USD/troy oz)	1,977.81	1.03
CPO (RM/metric t)	3,691.0	(0.62)

**DAILY NEWSWATCH****ECONOMICS**

CHINA: Chinese exports to North Korea surged in April, with wigs and fertilizers as prominent items. Outbound shipments rose by 69% to \$166 million, including processed hair worth \$11.6 million and fertilizers worth \$8.84 million. North Korea also purchased \$5.07 million worth of rice. From January to April, Chinese exports to North Korea increased to \$603 million from \$270.59 million the previous year. The country's worsening food crisis remains a concern due to long-standing food insecurity issues. (Reuters)

GLOBAL: BIS warns central bank credibility at risk without action on persistent global inflation. Agustín Carstens highlights importance of strong response to maintain public trust and stabilize economies, emphasizing the need to cool price pressures and bring inflation back to desired levels. (Reuters)

COMPANY

Maxis Bhd (6012) reported a 7.38% increase in net profit for the first quarter of 2023, reaching RM320 million, thanks to higher earnings before interest and taxes and the discontinuation of prosperity tax. The company also declared a first interim dividend of four sen per share. Maxis experienced a 4.99% rise in revenue, reaching RM2.53 billion, driven by increased service revenue from both consumer and enterprise businesses. (The Edge)

Radium Development Bhd's (5313) public tranche of shares for its IPO has been fully subscribed, with 10,496 applications received for 279.12 million shares. The property developer expects to raise RM434 million, which will be used for land acquisition, development expenditure, hotel construction, loan repayments, working capital, and listing expenses, positioning the company for growth in the recovering property segment. (The Edge)

Kelington Group Bhd (0151) reported a significant increase in net profit, rising by 94.1% to RM16.19 million for the first quarter of 2023 compared to the same period last year. The company experienced a boost in revenue of 78.23%, reaching RM308.93 million, driven by contributions from all segments, particularly the Ultra High Purity (UHP) division. Kelington remains positive about its future prospects and has secured RM467 million worth of contracts, with a total orderbook of RM2.2 billion. (The Edge)

Ho Wah Genting Bhd (9601) plans to consolidate every four existing shares into one share in order to enhance the company's share capital structure and reduce the number of shares available in the market. The proposed share consolidation is expected to increase the reference/trading prices of the shares and reduce price volatility. Additionally, HWG has proposed a private placement of up to 30% of the total issued shares to raise funds for general working capital, debt repayment, and acquisitions. (The Edge)

DKSH Holdings (5903) Bhd achieved a 30.6% increase in net profit for the first quarter of 2023, driven by higher revenue. The market expansion services provider experienced growth in earnings per share and quarterly revenue, primarily attributed to increased sales in consumer goods and other segments, despite inflationary pressure. (The Edge)



Aeon Company (M) Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: AEON MK | KLSE Stock Code: 6599

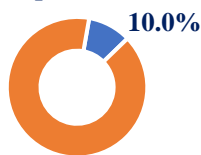
Main Market
Customer Services & Products
Subsector – Retailers
Current Price: RM1.30
Target Price: RM1.43

Investment Highlights

On a downtrend, the stock is currently trading above the MA20. We think there is a potential upside supported by a marubozu with a rising momentum on the stock (RSI >55).

A contracting Bollinger bands suggests lower volatility and lower potential upside moving forward. Trading within the 2SD, we project a 10% upside to the current price and expect EMA and SMA to hold moving forward.

Potential Upside



Bloomberg Analyst Ratings



Buys: 6
Holds: 3
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	23.3	22.4	23.0
P/B	1.1	1.1	1.5
P/CF	4.6	5.0	7.9
P/S	0.5	0.5	0.7

*CF – Cashflow per share, S – Sales per share

Company Overview

Aeon Company (M) Berhad operates a chain of superstores selling a broad range of goods including clothing, food, household goods, and other merchandise. The Company also operates shopping centers.



Entry Price	RM1.30
Market Cap (m)	RM1,825.2
52w high	RM1.58
52w low	RM1.21
Stop Loss	RM1.11
Immediate Support	RM1.24
Immediate Resistance	RM1.32 (Previous high)
Moving Average (EMA)	Bearish
Moving Average (SMA)	Bearish
Bollinger Bands (Long Run)	Less volatile over the long run
RSI	Rising Momentum
Volume (4-Weeks Average)	633,554.5



Harbour-Link Group Berhad

Technical Watch - "BUY on Potential Upside"

Bloomberg: HALG MK | KLSE Stock Code: 2062

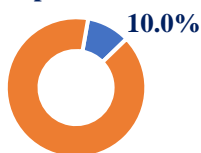
Main Market
Transportation & Logistics
Subsector – T & L Services
Current Price: RM1.30
Target Price: RM1.43

Investment Highlights

On an uptrend, the stock is currently trading above the MA20. We think there is a potential upside supported by a marubozu with a strong momentum on the stock (RSI >70).

An expanding Bollinger bands suggests higher volatility and higher potential upside moving forward. Trading within the 2SD, we project a 10% upside to the current price and expect EMA and SMA to hold moving forward

Potential Upside



Bloomberg Analyst Ratings



Buys: 0
Holds: 0
Sells: 0

Fundamentals

	2Y Avg (x)	5Y Avg (x)	10Y Avg (x)
P/E	4.6	6.8	9.0
P/BV	0.8	0.7	0.8
P/CF	2.7	4.2	5.0
P/S	0.6	0.5	0.5

*CF – Cashflow per share, S – Sales per share

Company Overview

Harbour-Link Group Berhad is an investment holding company and provides management service. The Company, through its subsidiaries, provides shipping, forwarding, and transportation services. Harbour-Link also operates plant and machinery renting business and provides engineering and civil works services.



Entry Price	RM1.30
Market Cap (m)	RM518.1
52w high	RM1.45
52w low	RM0.96
Stop Loss	RM1.11
Immediate Support	RM1.24
Immediate Resistance	RM1.30 (Previous high)
Moving Average (EMA)	Bullish
Moving Average (SMA)	Bullish
Bollinger Bands (Long Run)	More volatile over the long run
RSI	Strong Momentum
Volume (4-Weeks Average)	340,433.7



TECHNICAL ANALYSIS SCOREBOARD

Date	Stock	Code	Entry (RM)	Prev Close (RM)	Stop Loss (RM)	TP (RM)	Day Change (%)	Gain/Loss from TP (%)	Remark
19/4/2023	Comintel	7195	0.930	0.880	0.790	1.020	#VALUE!	-5.4	-
19/4/2023	Pharmaniaga	7081	0.380	0.360	0.320	0.410	-5.3	-5.3	-
20/4/2023	Malakof	5264	0.740	0.680	0.630	0.810	0.0	-8.1	-
20/4/2023	Solution	0093	0.265	0.220	0.230	0.290	2.3	-17.0	SL Triggered
25/4/2023	PressMetal	8869	5.200	4.780	4.450	5.720	1.1	-8.1	-
25/4/2023	PJBUMI	7163	0.740	0.710	0.630	0.810	-21.5	-4.1	TP Achieved
26/4/2023	Infoline	0253	0.870	0.790	0.740	0.960	-1.9	-9.2	-
26/4/2023	Menang	1694	0.880	0.890	0.750	0.970	-4.8	1.1	TP Achieved
27/4/2023	Ranhill	5272	0.640	0.570	0.540	0.700	0.0	-10.9	SL Triggered
27/4/2023	YongTai	7066	0.325	0.430	0.280	0.360	8.9	32.3	TP Achieved
28/4/2023	Pelikan	5231	0.820	0.810	0.700	0.900	-3.6	-1.2	SL Triggered
28/4/2023	Tanco	2429	0.540	0.515	0.460	0.590	2.0	-4.6	SL Triggered
2/5/2023	Microlink	0126	0.925	0.900	0.790	1.020	0.0	-2.7	-
2/5/2023	KYM	8362	0.555	0.500	0.470	0.610	0.0	-9.9	SL Triggered
3/5/2023	GentingM	4715	2.780	2.690	2.380	3.060	0.4	-3.2	-
3/5/2023	Inari	0166	2.360	2.210	2.020	2.600	0.5	-6.4	-
5/5/2023	Ctos	4383	1.450	1.400	1.240	1.600	-0.7	-3.4	-
5/5/2023	Tropicana	8932	1.420	1.390	1.300	1.560	4.5	-2.1	-
8/5/2023	Opcom	0035	0.750	0.750	0.640	0.830	-0.7	0.0	-
8/5/2023	SimeDarbyPlt	5285	4.410	4.500	3.770	4.850	-1.3	2.0	-
9/5/2023	Westports	5246	3.600	3.590	3.080	3.960	0.0	-0.3	-
9/5/2023	Telekom	4863	5.070	5.020	4.330	5.580	-0.6	-1.0	-
10/5/2023	Gamuda	5398	4.180	4.080	3.570	4.600	0.0	-2.4	-
10/5/2023	Seal	4286	0.440	0.415	0.380	0.480	3.7	-5.7	-
11/5/2023	Padini	7052	4.010	3.880	3.430	4.410	0.5	-3.2	-
11/5/2023	PowerRoot	7237	2.220	2.110	1.900	2.440	-0.5	-5.0	-
12/5/2023	GenP	2291	6.050	6.150	5.170	6.660	0.0	1.7	-
12/5/2023	ECA	0267	0.810	0.770	0.690	0.890	-1.3	-4.9	-
15/5/2023	Globetronic	7022	1.120	1.150	0.960	1.230	0.0	2.7	-
15/5/2023	ITMAX	5309	1.440	1.430	1.230	1.580	-4.0	-0.7	-
16/5/2023	Solarvest	0215	0.940	0.985	0.800	1.030	0.0	4.8	-
16/5/2023	SFPTEch	0251	2.550	2.440	2.180	2.810	-1.2	-4.3	-
17/5/2023	Tenaga	5347	9.730	9.820	8.320	10.700	0.3	0.9	-
17/5/2023	AirasiaX	5238	1.690	1.800	1.440	1.860	0.0	6.5	-
18/5/2023	Scientex	4731	3.400	3.410	2.910	3.740	0.0	0.3	-
18/5/2023	YTL	4677	0.750	0.775	0.640	0.830	4.7	3.3	-
19/5/2023	TIME	5031	5.300	5.300	4.530	5.830	0.0	0.0	-
19/5/2023	Sunview	0262	0.750	0.740	0.640	0.820	-0.7	-1.3	-
22/5/2023	AEON	6599	1.300	1.300	1.110	1.430	4.0	0.0	-
22/5/2023	HALG	2062	1.300	1.300	1.110	1.430	5.7	0.0	-

*SL= Stop Loss

*TP=Target Price

**STOCK SELECTION BASED ON DIVIDEND YIELD**

Company	Sector	Price RM	Dividend / Share RM	Dividend Yield (%)
Pharmaniaga Bhd	Consumer	0.360	0.05	13.9
SHL Consolidated Bhd	Property	1.900	0.18	9.5
AmFirst REIT	REIT	0.335	0.03	9.3
British American Tobacco Malay	Consumer	11.060	0.97	8.7
Capitaland Malaysia Trust	REIT	0.505	0.04	8.1
YTL Hospitality REIT	REIT	0.960	0.08	7.9
Magnum Bhd	Consumer	1.020	0.08	7.8
UOA REIT	REIT	1.130	0.09	7.6
Tambun Indah Land Bhd	Property	0.870	0.06	6.9
Malayan Banking Bhd	Finance	8.780	0.60	6.8
Matrix Concepts Holdings Bhd	Property	1.430	0.10	6.6
Amanahraya REIT	REIT	0.540	0.04	6.5
Al-'Aqar Healthcare REIT	REIT	1.240	0.08	6.4
IGB REIT	REIT	1.660	0.10	6.3
Sunway REIT	REIT	1.570	0.10	6.2

Source: Bloomberg

User guide: Mercury Securities compile a list of **dividend stocks** for conservative long term passive investors looking for regular income while keeping the investment intact.

Methodology: The list below is made up of stocks that pay high dividend (Estimate dividend yield >4%) and paying dividend consistently (Paid dividend for the last 3 years)



SECTORIAL VALUATION

The chart below depicts the performance of the respective KLCI sectors over a five-year period including the current and forward P/E. The sector’s performance is ranked against each other based on absolute returns for that particular year. The user can track the historical performance of respective sectors and notice that the technology sector is the best performing sector over a five-year period between 2016 and 2020 with a compound annual growth rate. The user will also be able to identify sector value based on the current P/E and the corresponding 5-year high, low and average P/E. For example, finance sector PE is currently at 11.4 times against 5-year average P/E of 12.2 times, suggesting financials valuation is in line with the average of 12.2 times.

Index	Return (%)	Valuation P/E (X)					
		YTD	5 - Years			Current	1 Yr – Fwd
			High	Low	Avg		
KLCI	(4.5)	18.2	14.2	16.8	14.2	12.4	
Finance	(5.4)	13.5	10.4	12.5	10.4	9.0	
Property	7.8	16.1	9.1	12.1	9.1	N/A	
Plantation	(0.8)	95.5	8.5	35.6	8.5	16.8	
Consumer	(2.4)	24.3	17.3	21.2	17.3	15.0	
Technology	(8.0)	27.8	19.9	24.2	19.9	19.9	
Construction	5.0	21.8	9.1	17.5	9.1	11.4	
Energy	8.2	-	-	-	9.5	9.1	
Health care	10.6	36.1	23.8	29.9	23.8	30.1	
Ind Prod	(9.2)	24.9	10.8	18.3	10.8	12.2	
REIT	1.7	-	-	-	N/A	N/A	
Telco	3.2	28.2	19.8	24.0	28.2	20.5	
Transportations	5.0	-	-	-	-	14.5	
Utilities	11.9	-	-	-	12.7	13.6	

Source: Bloomberg

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